



# Department of Justice

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## **FOURTH OCEAN SHIPPING EXECUTIVE PLEADS GUILTY TO PRICE FIXING ON OCEAN SHIPPING SERVICES FOR CARS AND TRUCKS**

### *Executive Sentenced to Serve 18 Months in U.S. Prison*

WASHINGTON – An executive of Japan-based Kawasaki Kisen Kaisha Ltd. (K-Line) pleaded guilty today and was sentenced to 18 months in a U.S. prison for his involvement in a conspiracy to fix prices, allocate customers and rig bids of international ocean shipping services for roll-on, roll-off cargo, such as cars and trucks, to and from the United States and elsewhere, the Department of Justice announced today.

According to the one-count felony charge filed in U.S. District Court of the District of Maryland in Baltimore on Jan. 22, 2015, Toru Otoda, who was a general manager in K-Line's car carrier division, conspired to allocate customers and routes, rig bids and fix prices for the sale of international ocean shipments of roll-on, roll-off cargo to and from the United States and elsewhere, including the Port of Baltimore. Otoda participated in the conspiracy from at least as early as November 2010 until at least September 2012.

Roll-on, roll-off cargo is non-containerized cargo that can be both rolled onto and off of an ocean-going vessel. Examples of this cargo include new and used cars and trucks and construction and agricultural equipment.

"Today's sentence reinforces our commitment to hold executives accountable for colluding to fix ocean freight prices," said Assistant Attorney General Bill Baer of the Department of Justice's Antitrust Division. "The investigation will continue as we seek to prosecute the executives who conspired and the companies that employed them."

"Price fixing and bid rigging are crimes most people don't see, but they have a direct impact on everyone's wallet, said Special Agent in Charge Steve Vogt of the FBI's Baltimore Field Office. "Our goal in the FBI is to expose the back room deals and secret handshakes, and to stop the culture in some businesses that allows these crimes to take place."

Pursuant to the plea agreement, which the court accepted today, Otoda was sentenced to serve an 18-month prison term and pay a \$20,000 criminal fine for his participation in the conspiracy. In addition, Otoda has agreed to assist the department in its ongoing investigation into the ocean shipping industry.

Otoda was charged with a violation of the Sherman Act, which carries a maximum sentence of 10 years in prison and a \$1 million criminal fine for an individual. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's sentence is the fourth against an individual in the division's ocean shipping investigation, and the third against an individual from K-Line. Three corporations have agreed to plead guilty and to pay criminal fines totaling more than \$136 million, including K-Line, which was sentenced to pay a criminal fine of \$67.7 million.

Today's plea agreement is the result of an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the international roll-on, roll-off ocean shipping industry, which is being conducted by the Antitrust Division's Washington Criminal I Section and the FBI's Baltimore Field Office, along with assistance from the U.S. Customs and Border Protection Office of Internal Affairs, Washington Field Office/Special Investigations Unit. Anyone with information in connection with this investigation is urged to call the Antitrust Division's Washington Criminal I Section at 202-307-6694, visit [www.justice.gov/atr/contact/newcase.html](http://www.justice.gov/atr/contact/newcase.html) or call the FBI's Baltimore Field Office at 410-265-8080.

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